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DATE PREPARED: February 09, 2005
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LB 624

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2005-06		FY 2006-07	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See below		See below	
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below		See below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB624 would amend provisions relating to the Nebraska Scholarship Act. The bill would modify the definition of eligible postsecondary educational institution for purposes of participation in the Nebraska Scholarship Program. In order to qualify for participation, the bill would require that an institution provide institutional aid, either by funded or unfunded discounts from posted tuition, in an amount equal to or greater than the cumulative amount of grants received pursuant to the Nebraska Scholarship Act in the past fiscal year. The Nebraska Scholarship Program is administered by the Coordinating Commission for Postsecondary Education. If LB624 were to become law, the commission would apparently be required to somehow verify that this eligibility criterion is met by institutions participating in the program. The commission estimates related costs at \$11,700 for 2005-06 and \$12,100 for 2006-07. These amounts include \$4,800 for 2005-06 and \$5,000 for 2006-07 to contract for examination of institutions' audited financial statements to determine whether the LB624 eligibility criterion has been met. Alternatives, requiring less by way of funding resources, for such verification may be possible. For example, the commission might require submission of certified excerpts from financial audits that identify scholarship discounts. Such an alternative verification process may, however, meet with technical difficulties in distinguishing such allowances for tuition versus fees (the LB624 eligibility criterion provides for identification of "funded or unfunded discounts from posted tuition." The commission may also encounter difficulties in acquiring verifiable financial information for the past fiscal year (as required by LB624) in advance of distribution of Nebraska Scholarship Program financial aid funding in the fiscal year for which it is appropriated.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Dave Wagaman	DATE 1/31/05	PHONE 471-2526
COMMENTS			
Coordinating Comm. for Postsecondary Educ. – Generally concur with agency response.			